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PIC/D-101/60  
31 August 1960

Declass Review by NIMA/DOD

## MEMORANDUM FOR THE RECORD

SUBJECT: Overrun Status on the Electronic Rectifiers Built by [ ]

REFERENCE: Meeting at PIC/CIA dated 30 August 1960 between [ ]  
[ ] of O/Logistics, Army, Air Force,  
and PIC Project Representatives.

1. The agreements reached at the conclusion of the referenced meeting were as follows:

a. [ ] will continue to work at the present rate to complete the four instruments in accordance with the time schedule of our last progress report. This means that [ ] will complete all four units with no break in production.

b. The contract will read that the maximum figure of expenditure is to be [ ] and that any expenditure over this amount to complete the four instruments will be absorbed by the [ ]. It is also stated that because of the time needed to generate the 1959 monies by the Joint Services, a period of about 6 weeks, will exceed the funds available at this time which will only carry the project through September 15. [ ] will continue to work on their own funds until 15 October at which time it is anticipated the Government funds to cover this period can be made available. If any monies are available before 15 October, they will immediately be applied to the contract to ease this situation. There will be no re-determination of the fixed fee for the contract. The amount of monies needed by each service to cover the instruments for this overrun and maximum will be approximately [ ] per instrument. This means the Air Force must generate [ ] of 1959 monies, the Army - [ ] and CIA - [ ].

2. A verbal report from [ ] on the morning of 31 August indicated that [ ] is willing to agree by these terms and that they will generate a letter to be sent to the contracting officer and forwarded to PIC for distribution to the Joint Services for the procurement of these funds. An audit of [ ] work and expenditures through 31 July was available for planning at the referenced meeting.

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3. [ ] is going to include in their letter requesting funds and the agreement to the terms set forth above a supplement which summarized the criteria for acceptance of the instrumentation so that the project can be terminated. This supplement will state the design objectives as stated in the contract and will highlight those instances in which deviations from these design objectives cannot be met within the current "state of the art". These are considered by the project monitor to be very slight and will not impair the over-all effectiveness of the equipment.

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**Distribution:**

Orig - OD/PIC

1 - [ ]

1 - [ ]

1 - [ ]

✓ 1 - C/TISD

2 - C/Logistics - [ ]